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UKMIS NEW YORK FOR UKDIS GENEVA ONLY AMMAN/JEDDA: FOLLOWING FOR SECRETARY OF STATE'S PARTY

NY TELNO 1282: US/SOVIET SUMMIT: DAY TWO

SUMMARY

1. GOING GETS HEAVIER IN SECOND DAY. SIGNING CEREMONY FOR THE VARIOUS BILATERAL AGREEMENTS DELAYED BY LAST-MINUTE DIFFICULTIES OVER THE DECLARATIONS ON START AND FOLLOW-ON NEGOTIATIONS. BUT THIS IS A MINOR HITCH COMPARED TO THE DEEPER CONCERNS WITHIN THE ADMINISTRATION (WHICH HAVE YET TO BE MADE PUBLIC) ABOUT GORBACHEV'S APPROACH ON GERMANY AND EXTERNAL ASPECTS OF UNIFICATION.

DETAIL

2. DAY TWO SAW TWO FURTHER RESTRICTED SESSIONS BETWEEN PRESIDENTS BUSH AND GORBACHEV, A PLENARY SESSION, AND MEETINGS BETWEEN BAKER AND SHEVARDNADZE - THE LATTER IN ORDER TO OVERCOME FINAL DIFFERENCES OVER THE DOCUMENTS SETTING OUT THE FRAMEWORK AGREEMENT FOR START AND FOLLOW-ON NEGOTIATIONS. THESE WERE EVENTUALLY OVERCOME AND THE CEREMONIAL SIGNING WAS ABLE TO GO AHEAD AN HOUR LATE. BUT THE HITCH REFLECTED THE UNDERLYING DIFFICULTIES WHICH REMAIN OVER SUCH ISSUES AS THE SS18 MISSILE, MOBILE ICBM, THE BACKFIRE BOMBER AND SD1. ACCORDING TO REPORTS THE TRADE AND GRAIN AGREEMENTS WERE ALSO AMONG THE DOCUMENTS WHICH WERE SIGNED, NOTWITHSTANDING CONFLICTING SIGNALS THROUGHOUT THE DAY. THESE AND THE START ACCORDS COULD MEET WITH SOME CRITICISM FROM CONGRESS.

3. THOUGH PUBLIC AND MEDIA ATTENTION HAS BEEN FOCUSED ON THE VARIOUS AGREEMENTS FOR SIGNATURE, OUR CONTACTS WITH OFFICIALS HAVE REVEALED A DEEPER CONCERN ABOUT THE FAILURE SO FAR TO MAKE ANY PROGRESS WITH GORBACHEV OVER GERMANY AND RELATED ISSUES SUCH AS CFF.

4. WE HAVE BEEN UNABLE TO SPEAK TO ANY OF THE DIRECT PARTICIPANTS YET AND ARE RELYING ON SECOND-HAND ACCOUNTS. BUT FROM THESE - PROVIDED BY DOBBINS (STATE) AND MAHLEY (ACDA) - GORBACHEV HAS TAKEN THE LINE THAT GERMAN UNIFICATION IN NATO COULD BE ACCEPTED ONLY IF NATO OPENED ITSELF UP TO MEMBERSHIP BY ALL COUNTRIES, IF THE TWO ALLIANCES SOMEHOW MERGED, OR IF THERE WAS AN AGREED TRANSITIONAL PERIOD LEADING TO THE TRANSFORMATION OF THE BLOC'S INTO A NON-MILITARY STRUCTURE. IN EXCHANGES WHICH THE AMERICANS HAVE DESCRIBED TO US AS BIZARRE, GORBACHEV EVIDENTLY IMPLIED THAT THE AMERICANS WERE NOT ALLOWING THE GERMANS TO EXERCISE THE RIGHT TO CHOOSE THEIR OWN SECURITY ARRANGEMENTS AND CHALLENGED BUSH TO SAY PUBLICLY THAT THEY HAD THIS FREEDOM OF CHOICE. FOLLOWING THIS UNFOCUSSED KALEIDOSCOPE OF CONCERNS AND HOPES, GORBACHEV SUGGESTED THAT THE TWO FOREIGN MINISTERS SHOULD NOW GET TOGETHER TO WORK OUT MORE DETAILED ARRANGEMENTS - A PROPOSAL WHICH WE UNDERSTAND EVEN SHEVARDNADZE QUESTIONED ON THE BASIS THAT MORE GUIDANCE WOULD BE NEEDED BEFORE USEFUL DISCUSSIONS COULD TAKE PLACE.

5. IN THESE CIRCUMSTANCES IT NOW SEEMS UNLIKELY THAT THE AMERICANS WILL BE ABLE TO EXPLORE THE IDEAS WHICH THEY MIGHT OTHERWISE HAVE HAD IN MIND FOR ENCOURAGING GORBACHEV TO LOOK FOR A CAP ON THE BUNDESWEHR IN CFE OR FOR OFFERING NEW STRUCTURES IN CSCE. ALTHOUGH GORBACHEV'S THINKING STILL SEEMS UNFIXED ON THE GERMAN QUESTION (WHICH IS SOME CONSOLATION) IT IS ALSO, ACCORDING TO THE REPORTS WE HAVE RECEIVED TODAY, INSUFFICIENTLY FOCUSSED FOR THEM TO ATTEMPT TO COME TO GRIPS WITH ANY OF THE SPECIFICS AT THIS STAGE.

6. IT REMAINS TO BE SEEN WHETHER THE PRESIDENT FARES BETTER WITH GORBACHEV DURING THEIR DAY TOGETHER AT CAMP DAVID ON 2 JUNE.

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